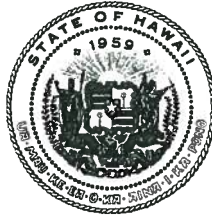


LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

May 13, 2010

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Subject: Five Year Extension of Lease to Friends of Iolani Palace, 2010 to 2015,
for portions of the Iolani Palace State Monument, Oahu

The Friends of Iolani Palace have operated under a State lease since June 28, 1996 to operate and manage the Iolani Palace and related buildings within the Iolani Palace State Monument, including restoration work and interpretive activities. The Board approved the first five-year lease on September 9, 1994, the second five year lease on March 24, 2000, and the third five year lease on June 9, 2005.

The lease terms allow for extensions of additional five (5) year terms and amendments. The Board has granted several amendments in the past, such as fee increases that has enable the Friends to achieve their level of self-sufficiency. We believe both our administration and the Friends are generally pleased with the results of this effort in response to the serious budget constraints we are faced with.

The current lease term ends on June 30, 2010 unless the Board grants a five-year extension to the lease term.

RECOMMENDATION:

That the Board approve a five-year lease extension to the Friends of Iolani Palace subject to the Attorney General's approval as to form, and delegate to the Chairperson approval of final terms and conditions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Daniel S. Quinn".

Daniel S. Quinn
State Parks Administrator

APPROVED FOR SUBMITTAL:

A handwritten signature in black ink, appearing to read "Laura H. Thielen".
LAURA H. THIELEN, Chairperson